

SB0002



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB0002

Introduced 1/15/2015, by Sen. Dan Kotowski - Heather A. Steans

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5m new
30 ILCS 105/25

from Ch. 127, par. 161

Amends the State Finance Act. Provides that no transfers may be made from the General Revenue Fund to certain special funds without additional express authority granted on or after the effective date of this amendatory Act. Provides that the purpose of this Act is to evaluate spending from the General Revenue Fund for Fiscal Year 2016, in order to determine the impact that transfers to certain Funds supported by set statutory formulas have on the cash flow of the State throughout the course of the State's fiscal year. Provides that beginning on July 1, 2019, all outstanding liabilities, not payable during the 4-month lapse period are limited to only those claims that have been incurred but for which a proper bill or invoice as defined by the State Prompt Payment Act has been received by September 30th following the end of the fiscal year in which the service was rendered. Effective immediately.

LRB099 04206 SXM 24228 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning finance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The State Finance Act is amended by changing
5 Section 25, and adding Section 5m as follows:

6 (30 ILCS 105/5m new)

7 Sec. 5m. Transfers limited.

8 (a) The purpose of this Section is to evaluate spending
9 from the General Revenue Fund for Fiscal Year 2016 in order to
10 determine the impact that transfers to certain funds supported
11 by a set statutory formula have on the cash flow of the State
12 throughout the course of the State's fiscal year.

13 (b) Notwithstanding any provision of law to the contrary,
14 in Fiscal Year 2016 moneys may not be transferred from the
15 General Revenue Fund to any of the following funds, including,
16 but not limited to, transfers expressly authorized under the
17 statutory provisions cited in this subsection (b), without
18 additional express statutory authority granted on or after the
19 effective date of this amendatory Act of the 99th General
20 Assembly:

21 (1) The Agricultural Premium Fund, under subsection
22 (d) of Section 8g or subsection (a) of Section 8.25e of
23 State Finance Act.

1 (2) The Alzheimer's Disease Research Fund, under
2 Section 510 of the Illinois Income Tax Act, or Section 2 of
3 the Alzheimer's Disease Research Act.

4 (3) The Assistance to the Homeless Fund, under Section
5 510 or 516 of the Illinois Income Tax Act.

6 (4) The Child Abuse Prevention Fund, under Section 6b-4
7 of the State Finance Act, or under Section 508 or 510 of
8 the Illinois Income Tax Act.

9 (5) The Coal Technology Development Assistance Fund,
10 under Section 3 of the Illinois Coal Technology Development
11 Assistance Act.

12 (6) The Convention Center Support Fund, under
13 subsection (1-5) of Section 5 of the Metropolitan Pier and
14 Exposition Authority Act.

15 (7) The Diabetes Research Checkoff Fund, under
16 subsection (c) of Section 509 or 510 of the Illinois Income
17 Tax Act.

18 (8) The Downstate Public Transportation Fund, under
19 Section 2-3 of the Downstate Public Transportation Act.

20 (9) The Fair and Exposition Fund, under subsection (d)
21 of Section 8g or subsection (a) of Section 8.25e of the
22 State Finance Act.

23 (10) The Illinois Military Family Relief Fund, under
24 Section 507Y or 510 of the Illinois Income Tax Act.

25 (11) The Illinois Standardbred Breeders Fund, under
26 subsection (d) of Section 8g or subsection (a) of Section

1 8.25e of the State Finance Act.

2 (12) The Illinois Thoroughbred Breeders Fund, under
3 subsection (d) of Section 8g or subsection (a) of Section
4 8.25e of the State Finance Act.

5 (13) The Illinois Veterans' Rehabilitation Fund, under
6 subsection (d) of Section 8g the State Finance Act, or
7 subsection (d) of Section 28.1 of the Illinois Horse Racing
8 Act of 1975.

9 (14) The Illinois Wildlife Preservation Fund, under
10 subsection (a) of Section 4 of the Illinois Non-Game
11 Wildlife Protection Act.

12 (15) The Intercity Passenger Rail Fund, under
13 subsection (b) of Section 6z-68 of the State Finance Act.

14 (16) The Intermodal Facilities Promotion Fund, under
15 Section 15 of the Intermodal Facilities Promotion Act.

16 (17) The Live and Learn Fund, under Section 6z-35 of
17 the State Finance Act.

18 (18) The Local Government Distributive Fund, under
19 Section 1 of the State Revenue Sharing Act, or under
20 Section 901 of the Illinois Income Tax Act.

21 (19) The Metropolitan Pier and Exposition Authority
22 Incentive Fund, under subsection (l) of Section 5 of the
23 Metropolitan Pier and Exposition Authority Act.

24 (20) The Partners for Conservation Fund, under
25 subsection (b) of Section 6z-32 of the State Finance Act.

26 (21) The Penny Severs Breast and Cervical Cancer

1 Research Fund, under Section 507L or 510 of the Illinois
2 Income Tax Act.

3 (22) The Public Transportation Fund, under subsection
4 (a) of Section 4.09 of the Regional Transportation
5 Authority Act.

6 (23) The State Treasurer's Bank Services Trust Fund,
7 under Section 15 of the State Treasurer's Bank Services
8 Trust Fund Act.

9 (24) The Tourism Promotion Fund, under Section 4a of
10 the Illinois Promotion Act.

11 (25) University of Illinois Hospital Services Fund,
12 under paragraph (1.5) of subsection (a) of Section 6z-30 of
13 the State Finance Act.

14 (26) The Youth Alcoholism and Substance Abuse
15 Prevention Fund, under subsection (c) of Section 8g of the
16 State Finance Act.

17 (30 ILCS 105/25) (from Ch. 127, par. 161)

18 Sec. 25. Fiscal year limitations.

19 (a) All appropriations shall be available for expenditure
20 for the fiscal year or for a lesser period if the Act making
21 that appropriation so specifies. A deficiency or emergency
22 appropriation shall be available for expenditure only through
23 June 30 of the year when the Act making that appropriation is
24 enacted unless that Act otherwise provides.

25 (b) Outstanding liabilities as of June 30, payable from

1 appropriations which have otherwise expired, may be paid out of
2 the expiring appropriations during the 2-month period ending at
3 the close of business on August 31. Any service involving
4 professional or artistic skills or any personal services by an
5 employee whose compensation is subject to income tax
6 withholding must be performed as of June 30 of the fiscal year
7 in order to be considered an "outstanding liability as of June
8 30" that is thereby eligible for payment out of the expiring
9 appropriation.

10 (b-1) However, payment of tuition reimbursement claims
11 under Section 14-7.03 or 18-3 of the School Code may be made by
12 the State Board of Education from its appropriations for those
13 respective purposes for any fiscal year, even though the claims
14 reimbursed by the payment may be claims attributable to a prior
15 fiscal year, and payments may be made at the direction of the
16 State Superintendent of Education from the fund from which the
17 appropriation is made without regard to any fiscal year
18 limitations, except as required by subsection (j) of this
19 Section. Beginning on June 30, 2021, payment of tuition
20 reimbursement claims under Section 14-7.03 or 18-3 of the
21 School Code as of June 30, payable from appropriations that
22 have otherwise expired, may be paid out of the expiring
23 appropriation during the 4-month period ending at the close of
24 business on October 31.

25 (b-2) All outstanding liabilities as of June 30, 2010,
26 payable from appropriations that would otherwise expire at the

1 conclusion of the lapse period for fiscal year 2010, and
2 interest penalties payable on those liabilities under the State
3 Prompt Payment Act, may be paid out of the expiring
4 appropriations until December 31, 2010, without regard to the
5 fiscal year in which the payment is made, as long as vouchers
6 for the liabilities are received by the Comptroller no later
7 than August 31, 2010.

8 (b-2.5) All outstanding liabilities as of June 30, 2011,
9 payable from appropriations that would otherwise expire at the
10 conclusion of the lapse period for fiscal year 2011, and
11 interest penalties payable on those liabilities under the State
12 Prompt Payment Act, may be paid out of the expiring
13 appropriations until December 31, 2011, without regard to the
14 fiscal year in which the payment is made, as long as vouchers
15 for the liabilities are received by the Comptroller no later
16 than August 31, 2011.

17 (b-2.6) All outstanding liabilities as of June 30, 2012,
18 payable from appropriations that would otherwise expire at the
19 conclusion of the lapse period for fiscal year 2012, and
20 interest penalties payable on those liabilities under the State
21 Prompt Payment Act, may be paid out of the expiring
22 appropriations until December 31, 2012, without regard to the
23 fiscal year in which the payment is made, as long as vouchers
24 for the liabilities are received by the Comptroller no later
25 than August 31, 2012.

26 (b-2.7) For fiscal years 2012, 2013, and 2014, interest

1 penalties payable under the State Prompt Payment Act associated
2 with a voucher for which payment is issued after June 30 may be
3 paid out of the next fiscal year's appropriation. The future
4 year appropriation must be for the same purpose and from the
5 same fund as the original payment. An interest penalty voucher
6 submitted against a future year appropriation must be submitted
7 within 60 days after the issuance of the associated voucher,
8 and the Comptroller must issue the interest payment within 60
9 days after acceptance of the interest voucher.

10 (b-3) Medical payments may be made by the Department of
11 Veterans' Affairs from its appropriations for those purposes
12 for any fiscal year, without regard to the fact that the
13 medical services being compensated for by such payment may have
14 been rendered in a prior fiscal year, except as required by
15 subsection (j) of this Section. Beginning on June 30, 2021,
16 medical payments payable from appropriations that have
17 otherwise expired may be paid out of the expiring appropriation
18 during the 4-month period ending at the close of business on
19 October 31.

20 (b-4) Medical payments and child care payments may be made
21 by the Department of Human Services (as successor to the
22 Department of Public Aid) from appropriations for those
23 purposes for any fiscal year, without regard to the fact that
24 the medical or child care services being compensated for by
25 such payment may have been rendered in a prior fiscal year; and
26 payments may be made at the direction of the Department of

1 Healthcare and Family Services (or successor agency) from the
2 Health Insurance Reserve Fund without regard to any fiscal year
3 limitations, except as required by subsection (j) of this
4 Section. Beginning on June 30, 2019 ~~2021~~, medical and child
5 care payments made by the Department of Human Services and
6 payments made at the discretion of the Department of Healthcare
7 and Family Services (or successor agency) from the Health
8 Insurance Reserve Fund and payable from appropriations that
9 have otherwise expired may be paid out of the expiring
10 appropriation during the 4-month period ending at the close of
11 business on October 31.

12 (b-5) Medical payments may be made by the Department of
13 Human Services from its appropriations relating to substance
14 abuse treatment services for any fiscal year, without regard to
15 the fact that the medical services being compensated for by
16 such payment may have been rendered in a prior fiscal year,
17 provided the payments are made on a fee-for-service basis
18 consistent with requirements established for Medicaid
19 reimbursement by the Department of Healthcare and Family
20 Services, except as required by subsection (j) of this Section.
21 Beginning on June 30, 2019 ~~2021~~, medical payments made by the
22 Department of Human Services relating to substance abuse
23 treatment services payable from appropriations that have
24 otherwise expired may be paid out of the expiring appropriation
25 during the 4-month period ending at the close of business on
26 October 31.

1 (b-6) Additionally, payments may be made by the Department
2 of Human Services from its appropriations, or any other State
3 agency from its appropriations with the approval of the
4 Department of Human Services, from the Immigration Reform and
5 Control Fund for purposes authorized pursuant to the
6 Immigration Reform and Control Act of 1986, without regard to
7 any fiscal year limitations, except as required by subsection
8 (j) of this Section. Beginning on June 30, 2021, payments made
9 by the Department of Human Services from the Immigration Reform
10 and Control Fund for purposes authorized pursuant to the
11 Immigration Reform and Control Act of 1986 payable from
12 appropriations that have otherwise expired may be paid out of
13 the expiring appropriation during the 4-month period ending at
14 the close of business on October 31.

15 (b-7) Payments may be made in accordance with a plan
16 authorized by paragraph (11) or (12) of Section 405-105 of the
17 Department of Central Management Services Law from
18 appropriations for those payments without regard to fiscal year
19 limitations.

20 (b-8) Reimbursements to eligible airport sponsors for the
21 construction or upgrading of Automated Weather Observation
22 Systems may be made by the Department of Transportation from
23 appropriations for those purposes for any fiscal year, without
24 regard to the fact that the qualification or obligation may
25 have occurred in a prior fiscal year, provided that at the time
26 the expenditure was made the project had been approved by the

1 Department of Transportation prior to June 1, 2012 and, as a
2 result of recent changes in federal funding formulas, can no
3 longer receive federal reimbursement.

4 (b-9) Medical payments not exceeding \$150,000,000 may be
5 made by the Department on Aging from its appropriations
6 relating to the Community Care Program for fiscal year 2014,
7 without regard to the fact that the medical services being
8 compensated for by such payment may have been rendered in a
9 prior fiscal year, provided the payments are made on a
10 fee-for-service basis consistent with requirements established
11 for Medicaid reimbursement by the Department of Healthcare and
12 Family Services, except as required by subsection (j) of this
13 Section.

14 (c) Further, payments may be made by the Department of
15 Public Health and the Department of Human Services (acting as
16 successor to the Department of Public Health under the
17 Department of Human Services Act) from their respective
18 appropriations for grants for medical care to or on behalf of
19 premature and high-mortality risk infants and their mothers and
20 for grants for supplemental food supplies provided under the
21 United States Department of Agriculture Women, Infants and
22 Children Nutrition Program, for any fiscal year without regard
23 to the fact that the services being compensated for by such
24 payment may have been rendered in a prior fiscal year, except
25 as required by subsection (j) of this Section. Beginning on
26 June 30, 2019 ~~2021~~, payments made by the Department of Public

1 Health and the Department of Human Services from their
2 respective appropriations for grants for medical care to or on
3 behalf of premature and high-mortality risk infants and their
4 mothers and for grants for supplemental food supplies provided
5 under the United States Department of Agriculture Women,
6 Infants and Children Nutrition Program payable from
7 appropriations that have otherwise expired may be paid out of
8 the expiring appropriations during the 4-month period ending at
9 the close of business on October 31.

10 (d) The Department of Public Health and the Department of
11 Human Services (acting as successor to the Department of Public
12 Health under the Department of Human Services Act) shall each
13 annually submit to the State Comptroller, Senate President,
14 Senate Minority Leader, Speaker of the House, House Minority
15 Leader, and the respective Chairmen and Minority Spokesmen of
16 the Appropriations Committees of the Senate and the House, on
17 or before December 31, a report of fiscal year funds used to
18 pay for services provided in any prior fiscal year. This report
19 shall document by program or service category those
20 expenditures from the most recently completed fiscal year used
21 to pay for services provided in prior fiscal years.

22 (e) The Department of Healthcare and Family Services, the
23 Department of Human Services (acting as successor to the
24 Department of Public Aid), and the Department of Human Services
25 making fee-for-service payments relating to substance abuse
26 treatment services provided during a previous fiscal year shall

1 each annually submit to the State Comptroller, Senate
2 President, Senate Minority Leader, Speaker of the House, House
3 Minority Leader, the respective Chairmen and Minority
4 Spokesmen of the Appropriations Committees of the Senate and
5 the House, on or before November 30, a report that shall
6 document by program or service category those expenditures from
7 the most recently completed fiscal year used to pay for (i)
8 services provided in prior fiscal years and (ii) services for
9 which claims were received in prior fiscal years.

10 (f) The Department of Human Services (as successor to the
11 Department of Public Aid) shall annually submit to the State
12 Comptroller, Senate President, Senate Minority Leader, Speaker
13 of the House, House Minority Leader, and the respective
14 Chairmen and Minority Spokesmen of the Appropriations
15 Committees of the Senate and the House, on or before December
16 31, a report of fiscal year funds used to pay for services
17 (other than medical care) provided in any prior fiscal year.
18 This report shall document by program or service category those
19 expenditures from the most recently completed fiscal year used
20 to pay for services provided in prior fiscal years.

21 (g) In addition, each annual report required to be
22 submitted by the Department of Healthcare and Family Services
23 under subsection (e) shall include the following information
24 with respect to the State's Medicaid program:

25 (1) Explanations of the exact causes of the variance
26 between the previous year's estimated and actual

1 liabilities.

2 (2) Factors affecting the Department of Healthcare and
3 Family Services' liabilities, including but not limited to
4 numbers of aid recipients, levels of medical service
5 utilization by aid recipients, and inflation in the cost of
6 medical services.

7 (3) The results of the Department's efforts to combat
8 fraud and abuse.

9 (h) As provided in Section 4 of the General Assembly
10 Compensation Act, any utility bill for service provided to a
11 General Assembly member's district office for a period
12 including portions of 2 consecutive fiscal years may be paid
13 from funds appropriated for such expenditure in either fiscal
14 year.

15 (i) An agency which administers a fund classified by the
16 Comptroller as an internal service fund may issue rules for:

17 (1) billing user agencies in advance for payments or
18 authorized inter-fund transfers based on estimated charges
19 for goods or services;

20 (2) issuing credits, refunding through inter-fund
21 transfers, or reducing future inter-fund transfers during
22 the subsequent fiscal year for all user agency payments or
23 authorized inter-fund transfers received during the prior
24 fiscal year which were in excess of the final amounts owed
25 by the user agency for that period; and

26 (3) issuing catch-up billings to user agencies during

1 the subsequent fiscal year for amounts remaining due when
2 payments or authorized inter-fund transfers received from
3 the user agency during the prior fiscal year were less than
4 the total amount owed for that period.

5 User agencies are authorized to reimburse internal service
6 funds for catch-up billings by vouchers drawn against their
7 respective appropriations for the fiscal year in which the
8 catch-up billing was issued or by increasing an authorized
9 inter-fund transfer during the current fiscal year. For the
10 purposes of this Act, "inter-fund transfers" means transfers
11 without the use of the voucher-warrant process, as authorized
12 by Section 9.01 of the State Comptroller Act.

13 (i-0.5) Beginning on July 1, 2019, all outstanding
14 liabilities, not payable during the 4-month lapse period as
15 described in subsection (b-4) of this Section, that are made
16 from appropriations for that purpose for any fiscal year,
17 without regard to the fact that the services being compensated
18 for by those payments may have been rendered in a prior fiscal
19 year, are limited to only those claims that have been incurred
20 but for which a proper bill or invoice as defined by the State
21 Prompt Payment Act has been received by September 30th
22 following the end of the fiscal year in which the service was
23 rendered.

24 (i-1) Beginning on July 1, 2021, all outstanding
25 liabilities, not payable during the 4-month lapse period as
26 described in subsections (b-1), (b-3), and (b-4), (b-5), (b-6),

1 ~~and (e)~~ of this Section, that are made from appropriations for
2 that purpose for any fiscal year, without regard to the fact
3 that the services being compensated for by those payments may
4 have been rendered in a prior fiscal year, are limited to only
5 those claims that have been incurred but for which a proper
6 bill or invoice as defined by the State Prompt Payment Act has
7 not been received by September 30th following the end of the
8 fiscal year in which the service was rendered.

9 (j) Notwithstanding any other provision of this Act, the
10 aggregate amount of payments to be made without regard for
11 fiscal year limitations as contained in subsections (b-1),
12 (b-3), (b-4), (b-5), (b-6), and (c) of this Section, and
13 determined by using Generally Accepted Accounting Principles,
14 shall not exceed the following amounts:

15 (1) \$6,000,000,000 for outstanding liabilities related
16 to fiscal year 2012;

17 (2) \$5,300,000,000 for outstanding liabilities related
18 to fiscal year 2013;

19 (3) \$4,600,000,000 for outstanding liabilities related
20 to fiscal year 2014;

21 (4) \$4,000,000,000 for outstanding liabilities related
22 to fiscal year 2015;

23 (5) \$3,300,000,000 for outstanding liabilities related
24 to fiscal year 2016;

25 (6) \$2,600,000,000 for outstanding liabilities related
26 to fiscal year 2017;

1 (7) \$2,000,000,000 for outstanding liabilities related
2 to fiscal year 2018;

3 (8) \$1,300,000,000 for outstanding liabilities related
4 to fiscal year 2019;

5 (9) \$600,000,000 for outstanding liabilities related
6 to fiscal year 2020; and

7 (10) \$0 for outstanding liabilities related to fiscal
8 year 2021 and fiscal years thereafter.

9 (k) Department of Healthcare and Family Services Medical
10 Assistance Payments.

11 (1) Definition of Medical Assistance.

12 For purposes of this subsection, the term "Medical
13 Assistance" shall include, but not necessarily be
14 limited to, medical programs and services authorized
15 under Titles XIX and XXI of the Social Security Act,
16 the Illinois Public Aid Code, the Children's Health
17 Insurance Program Act, the Covering ALL KIDS Health
18 Insurance Act, the Long Term Acute Care Hospital
19 Quality Improvement Transfer Program Act, and medical
20 care to or on behalf of persons suffering from chronic
21 renal disease, persons suffering from hemophilia, and
22 victims of sexual assault.

23 (2) Limitations on Medical Assistance payments that
24 may be paid from future fiscal year appropriations.

25 (A) The maximum amounts of annual unpaid Medical
26 Assistance bills received and recorded by the

1 Department of Healthcare and Family Services on or
2 before June 30th of a particular fiscal year
3 attributable in aggregate to the General Revenue Fund,
4 Healthcare Provider Relief Fund, Tobacco Settlement
5 Recovery Fund, Long-Term Care Provider Fund, and the
6 Drug Rebate Fund that may be paid in total by the
7 Department from future fiscal year Medical Assistance
8 appropriations to those funds are: \$700,000,000 for
9 fiscal year 2013 and \$100,000,000 for fiscal year 2014
10 and each fiscal year thereafter.

11 (B) Bills for Medical Assistance services rendered
12 in a particular fiscal year, but received and recorded
13 by the Department of Healthcare and Family Services
14 after June 30th of that fiscal year, may be paid from
15 either appropriations for that fiscal year or future
16 fiscal year appropriations for Medical Assistance.
17 Such payments shall not be subject to the requirements
18 of subparagraph (A).

19 (C) Medical Assistance bills received by the
20 Department of Healthcare and Family Services in a
21 particular fiscal year, but subject to payment amount
22 adjustments in a future fiscal year may be paid from a
23 future fiscal year's appropriation for Medical
24 Assistance. Such payments shall not be subject to the
25 requirements of subparagraph (A).

26 (D) Medical Assistance payments made by the

1 Department of Healthcare and Family Services from
2 funds other than those specifically referenced in
3 subparagraph (A) may be made from appropriations for
4 those purposes for any fiscal year without regard to
5 the fact that the Medical Assistance services being
6 compensated for by such payment may have been rendered
7 in a prior fiscal year. Such payments shall not be
8 subject to the requirements of subparagraph (A).

9 (3) Extended lapse period for Department of Healthcare
10 and Family Services Medical Assistance payments.
11 Notwithstanding any other State law to the contrary,
12 outstanding Department of Healthcare and Family Services
13 Medical Assistance liabilities, as of June 30th, payable
14 from appropriations which have otherwise expired, may be
15 paid out of the expiring appropriations during the 6-month
16 period ending at the close of business on December 31st.

17 (1) The changes to this Section made by Public Act 97-691
18 shall be effective for payment of Medical Assistance bills
19 incurred in fiscal year 2013 and future fiscal years. The
20 changes to this Section made by Public Act 97-691 shall not be
21 applied to Medical Assistance bills incurred in fiscal year
22 2012 or prior fiscal years.

23 (m) The Comptroller must issue payments against
24 outstanding liabilities that were received prior to the lapse
25 period deadlines set forth in this Section as soon thereafter
26 as practical, but no payment may be issued after the 4 months

1 following the lapse period deadline without the signed
2 authorization of the Comptroller and the Governor.

3 (Source: P.A. 97-75, eff. 6-30-11; 97-333, eff. 8-12-11;
4 97-691, eff. 7-1-12; 97-732, eff. 6-30-12; 97-932, eff.
5 8-10-12; 98-8, eff. 5-3-13; 98-24, eff. 6-19-13; 98-215, eff.
6 8-9-13; 98-463, eff. 8-16-13; 98-756, eff. 7-16-14.)

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.